

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5889-01  
Bill No.: HB 1786  
Subject: Licences - Motor Vehicle; Revenue Department  
Type: Original  
Date: March 7, 2012

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Bill Summary: This proposal establishes a National Wild Turkey Federation license plate.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Highway Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Less than \$100,000</b>	<b>Less than \$100,000</b>	<b>Less than \$100,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Local Government</b>	<b>Less than \$100,000</b>	<b>Less than \$100,000</b>	<b>Less than \$100,000</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Department of Transportation** concur with Department of Revenue regarding any fiscal impact to the Road Fund.

Officials from the **Department of Corrections** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Revenue (DOR) - Motor Vehicle Bureau (MVB)** estimate procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Application for Military Personalized License Plates (DOR-4601) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182. The Department's web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319. The Department would incur 20 overtime hours for a Revenue Processing Tech II to work with the organization on the design of the plate and finalizing the design of the plate at a cost of \$411. The Department would incur 20 overtime hours for a Revenue Processing Tech II to set up the new specialty plate within MVB systems and testing at a cost of \$411. Total cost to the DOR- MVB is \$3,505 in FY 2013.

ASSUMPTION (continued)

The printing of flat plates has changed from Irwin Hodson to Missouri Vocational Enterprises (MVE); as a result the cost for the set-up of a new specialty plate has changed from previous years. The Department is charged \$215 for the initial set-up of a new specialty plate for passenger, truck, RV, disabled, and motorcycle plates. This is a one-time fee that will be charged upon passage of this proposal.

According to the National Wild Turkey Federation there are approximately 12,000 adult members that would be eligible for this plate. The Department pays \$3.50 per plate (\$7 per set of plates) for manufacturing flat plates through MVE. It is assumed that of the 12,000 eligible applicants, 3% (360) will wish to obtain the plate in FY13 at a cost to the Department of \$2,100 (10 months). As knowledge and public awareness of the availability of this plate increases it is assumed that 5% (582) of the remaining 11,640 eligible applicants will apply for these plates in FY 14 at a cost of \$4,176. If 7% (774) of the remaining 11,058 members apply for these plates in FY15 it will result in a cost to the Department of \$5,692.

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE. It is assumed that of the 12,000 eligible applicants, 3%, (360) will wish to obtain the plate in FY13 at a cost to the Department of \$167 (10 months). As knowledge and public awareness of the availability of this plate increases it is assumed that 5% (582) of the remaining 11,640 eligible applicants will apply for these plates in FY 14 at a cost of \$330. If 7% (774) of the remaining 11,058 members apply for these plates in FY15 it will result in a cost to the Department of \$449.

**Note:** The \$5.55 is an average cost to ship a box of 10 sets of plates to contract offices. The cost may decrease or increase based on the weight of the box, the area to which the box is being sent, and how many boxes are being sent at one time.

The Department would incur an additional cost for mailing notifications to those applicants notifying them that their plates are ready for pickup at the respective license office. Postage costs include envelopes (\$0.04), notices (\$0.025), and postage (\$0.45).

ASSUMPTION (continued)

It is assumed that of the 12,000 eligible applicants, 3% (360) will wish to obtain the plate in FY13 at a cost to the Department of \$156 (10 months). As knowledge and public awareness of the availability of this plate increases it is assumed that 5% (582) of the remaining 11,640 eligible applicants will apply for these plates in FY14 at a cost of \$310. If 7% (774) of the remaining 11,058 members apply for these plates in FY15 it will result in a cost to the Department of \$423.

Officials from the **Department of Revenue - Information Technology - OA-ITSD** state the Department's response to a similar proposal in prior years would have indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's motor vehicle legacy systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$2,120 calculated on 80 FTE hours.

In summary, DOR assumes a cost of \$8,263 in FY 2013 (\$3,505 + \$215 + \$2,100 + \$167 + \$156 + \$2,120), \$4,816 in FY 2014 (\$4,176 + \$330 + \$310) and \$6,564 in FY 2015 (\$5,692 + \$449 + \$423) for full time employees, plate set-up, manufacturing and mailings.

There are 12,000 active adult members of the National Wild Turkey Federation in the state of Missouri. It is assumed that of the 12,000 eligible applicants, 3% (360) will wish to obtain the plate in FY13 with an increase in revenue of \$9,000 from the \$25 specialty plate fee. As knowledge and public awareness of the availability of this plate increases it is assumed that 5% (582) of the remaining 11,640 eligible applicants will apply for these plates in FY14 resulting in an increase in revenue of \$14,550. If 7% (774) of the remaining 11,058 members apply in FY15 there will be an increase of \$19,350. This increase will be distributed as follows:

	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>
75% -Highway Fund	\$5,625	\$10,913	\$14,513
15% - Cities	\$1,125	\$2,183	\$2,903
10% - Counties	\$750	\$1,455	\$1,935

ASSUMPTION (continued)

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process. Since it is unknown how many plate applications will be received for this plate, for fiscal note purposes only, Oversight will estimate revenue as: Less than \$100,000. Oversight will also estimate cost to General Revenue from manufacturing process as: (Less than \$100,000).

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Department of Revenue - Processing costs for specialty plates	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Less than <u>\$100,000</u>)</b>	<b>(Less than <u>\$100,000</u>)</b>	<b>(Less than <u>\$100,000</u>)</b>
<b>HIGHWAY FUND</b>			
<u>Income</u> - Specialty plate fees	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b>Less than <u>\$100,000</u></b>	<b>Less than <u>\$100,000</u></b>	<b>Less than <u>\$100,000</u></b>

FISCAL IMPACT - Local Government

FY 2013  
(10 Mo.)

FY 2014

FY 2015

**LOCAL POLITICAL SUBDIVISIONS**

Income - Cities and Counties - Specialty  
plate fees

Less than  
\$100,000

Less than  
\$100,000

Less than  
\$100,000

**ESTIMATED NET EFFECT ON  
LOCAL POLITICAL SUBDIVISIONS**

**Less than  
\$100,000**

**Less than  
\$100,000**

**Less than  
\$100,000**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

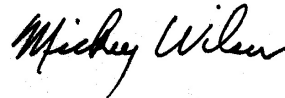
FISCAL DESCRIPTION

This proposal allows a person to obtain a National Wild Turkey Federation special license plate.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections  
Department of Transportation  
Department of Revenue  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Mickey Wilson, CPA  
Director  
March 7, 2012